

ML MANAGER LLC

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September 29, 2014

ML MANAGER LLC NEWSLETTER #36

Dear Investors:

The following are the significant events that have occurred since our last newsletter.

Theft Loss Information

PricewaterhouseCoopers LLP ("PWC") recently posted an article on its webpage regarding procedures to be followed by taxpayers to claim refunds in circumstances that are similar to those that are applicable to MP Fund investors (where the IRS has approved an amended partnership tax return but is still requiring each partner to file a separate amended return to secure a refund). The article generally concludes that failure to follow the correct process could create a risk that a refund will be lost. Investors and their advisors may find this article to be of interest in connection with potential refund claims for theft losses relating to the MP funds. The article can be accessed at the following link: http://www.pwc.com/en_GX/gx/tax/newsletters/tax-controversy-dispute-resolution/assets/pwc-staffing-issues-alter-irs-processing-amended-terfa-returns.pdf. Please note that the article was not prepared, nor should it be considered, as tax advice to any of the MP Funds or their investors. As always, we urge investors to consult with their own tax advisors regarding refund claims relating to their MP Fund investments.

Distributions

We are working on the next distribution of cash to investors. We intend to distribute approximately \$16,800,000. We filed a Motion to Approve the Distribution. A hearing to approve the distribution has been set by the Bankruptcy Court for 10:00 am on October 15, 2014.

Vistoso II (Loan 858006)

The sale of this property to Mattamy Homes for a price of \$8.7 million was consummated on August 6, 2014. We continue to market the remaining two parcels.

Rightpath II (Loan 859806)

As reported previously, we have entered into a sale agreement for the approximately 60 acre unimproved property in far west Phoenix, just north of the Dodgers/White Sox spring training facilities, for the price of \$4,440,000, with Bela Flor Communities. The buyer has encountered some difficulties with the rezoning process and it is uncertain

whether or not this sale will close. We were successful in eliminating a significant land use restriction that was previously recorded against an additional parcel containing approximately 16.7 acres. We are beginning our efforts to re-market the property for sale without the land use restriction.

Vanderbilt Farms, L.L.C (Loan No. 859606)

We have entered into a sale agreement for this property containing approximately 115 acres located in Queen Creek, Arizona, for a price of \$12,731,606.96 with Equity National Real Property Investments, LLC. The sale was approved by the members of VF I Loan LLC and the Bankruptcy Court. The closing is scheduled for December 29, 2014, but the buyer has encountered difficulties with the zoning process and has asked for an extension of time. It is uncertain at this time whether or not this sale will proceed.

HH20 (Loan 858305)

We continue our efforts to market this property for sale.

SOJAC I (Loan 857106)

Our judgment against Joseph and Caylee Pinsonneault, guarantors of this loan, has been reinstated. The amount of the judgment is over \$22,000,000. We are resuming our efforts to collect on this judgment. Previously the Pinsonneaults filed for bankruptcy, but the bankruptcy was dismissed.

Account Information.

Many investors have changed their addresses, phone numbers, and e-mail addresses. Please make sure that our records reflect your current information. In order to update your information it is necessary to complete an account change request form. These forms can be obtained by contacting us at mortgagesinfo@mtgltd.com.

If you have any questions, you may contact our office at 623-234-9560 or via email at mortgagesinfo@mtgltd.com. It is much more efficient for us to respond to written questions and we ask whenever possible, please communicate with us via email. Also, please also feel free to contact Karen Epstein at 480-948-6777.

Thank you for your support of our efforts.

Best Regards,

Elliott Pollack

Chairman